

August 22, 2012

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

**Re: Lifeline Broadband Pilot Application of Nexus Communications, Inc.  
WC Docket No. 11-42**

Dear Ms. Dortch:

Nexus Communications, Inc. (“Nexus”) hereby provides the following supplement to its broadband pilot application in the above-captioned proceeding.

In its application, Nexus identified several specific geographic areas and also stated that it would make pilot offers in “other” areas within its eighteen-state wireless ETC footprint. Nexus hereby clarifies that it proposes to offer the pilot service in three additional geographic areas: California, New Jersey, and a tri-state area of Arkansas, Louisiana, and Mississippi. Nexus wishes to be able to provide pilot service throughout its service territory in these states, but expects that pilot customers would be located primarily in the Los Angeles, Fresno, New Orleans, Baton Rouge, Jackson (Miss.), and Newark areas.<sup>1</sup> However, the Commission should not limit the pilot to these locations, because Nexus also wishes to test its pilot service in smaller markets in rural areas. In some regions, such as Mississippi, many low-income consumers live in smaller urban and rural markets.

Nexus also wishes to emphasize that one of the reasons it has included a large number of areas in its application is to improve its chances of realizing its targeted number of 16,000 participants even if the adoption rate is low. Because Nexus proposes to test many variables, the quality of the statistical data realized from the project would be improved by healthy sample sizes for each variable. Thus, it would not be in the Commission’s interest to restrict Nexus’

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<sup>1</sup> These references, as well as the reference to Detroit, Las Vegas and Des Moines in the application, are to the Census Bureau’s Combined Statistical Areas (CSA), or, where no CSA exists, the Metropolitan Statistical Area, or portion thereof within the state.

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ability to offer the pilot widely within the proposed states and regions and thereby shrink Nexus' pool of customers and possibly degrade the quality of the resulting data.

Nexus cannot estimate the amount of subsidy dollars that would be attributable to each market individually because it cannot estimate the adoption rate for its pilot market. It may be that a higher percentage of its customers already have broadband in some markets than others due to differences in low-cost broadband availability or other factors. If the Commission eliminates only a small number of Nexus' proposed markets, it should not reduce the requested budget. Instead, Nexus could target more customers within the remaining markets.

Nexus also clarifies that: it would not admit new pilot participants after nine months; that it will coordinate with but let USAC take the lead on the data collection process; and that it will certify eligibility in compliance with the Commission's new rules.

Based upon further consultation with the Commission, Nexus also hereby amends one part of its project design. Nexus now seeks to assign customers to test groups by zip code, rather than account number, so that customers in close proximity (such as persons in the same apartment complex) would not receive different offers. Nexus would still endeavor to ensure appropriate randomization of the test-group classifications.

Respectfully submitted,



Danielle Frappier

cc: Kimberly Scardino  
Garnet Hanly  
Jonathan Lechter  
Jay Schwartz